

Company Registration No. 3493017

FTL Seals Technology Limited

Report and Financial Statements

31 December 2017



FTL Seals Technology Limited

Report and financial statements 2017

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FTL Seals Technology Limited

Company information

Directors

A J Hewitt
M A Uleman
N Thompson
E McKinley

Company Secretary

Abogado Nominees Limited
L M Anderson
B P Hanigan

Registered Office

Bruntcliffe Avenue
Leeds 27 Business Park
Morley
Leeds
LS27 OTG

Bankers

Barclays Bank Plc
1 Park Road
Leeds
LS1 5WU

Auditor

Deloitte LLP
Statutory Auditor
Leeds
United Kingdom

FTL Seals Technology Limited

Strategic report

The directors present their strategic report, directors' report and the audited financial statements for the year ended 31 December 2017.

Principal activity

The principal activity of the company is the design, manufacture and distribution of sealing solutions, engineered products and mechanical assemblies to world-wide industrial markets.

Business review

2017 saw trading return back to 2015 levels. Turnover increased from £8.7m to £11.2m. The directors are optimistic sales revenue will continue at these current rates.

Operating profit margin has increased from 2016 (27.5% in 2017 compared to 21.6% in 2016) as a result of the additional £2.4m of sales revenue. The working capital position remains healthy with strong control in each aspect. Net assets of £14.7m (2016 £11.7m) are also in a strong position. The company remains completely debt free, there is no funding or gearing issues to concern the board and they consider the balance sheet to be healthy with strong cash generation.

Key performance indicators

The company uses the following key performance indicators to monitor performance:

	2017 £'000	2016 £'000
Sales Revenue	£11.2m	£8.7m
Gross Margin	45.8%	46.2%
Operating Profit Margin	27.5%	21.6%

The directors consider financial, rather than non-financial, performance indicators to be the most relevant key performances indicators when assessing the performance of the business.

Future developments

The board have anticipated a level of business in 2018 similar to 2017 with no major changes to products or customer base.

Principal risks and uncertainties

The directors of the company have always tried to identify any potential risks to the company with a view to eliminating the risks or at least reducing them to acceptable levels.

Commercial risks and external influences are part of running a business and loss of revenue can adversely affect any business. However, the directors are confident that the company will remain profitable during any down turn.

Dividends

The directors have not declared an interim or final dividend in respect of the year ended 31 December 2017 (2016: £nil).

FTL Seals Technology Limited

Strategic report

Credit risk

The company's principal financial assets are bank balances and cash and trade debtors. The company's credit risk is primarily attributable to its trade debtors. The amounts presented in the balance sheet are net of allowances for doubtful debts. An allowance for impairment is made where there is an identified loss event which, based on previous evidence results in a reduction in the recoverability of cash flows. Additionally, the company has credit insurance for all balances above £5k.

Liquidity risk

In order to maintain liquidity, to ensure that sufficient funds are available for on-going operations and future developments, the company monitors its requirements for finance.

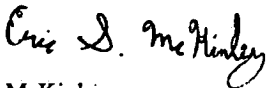
Going concern

The financial position of the company, its cash flows and liquidity position are strong.

The directors recognise that the general economic outlook is still uncertain, however, the company has a strong order book and the directors have confidence in the business prospects for 2018 and beyond knowing the business plan in place is soundly made and is fully supported by the determination and competences of staff at all levels. As a consequence, the directors believe that the company is well placed to manage its business risks successfully, notwithstanding any current economic uncertainty.

After making enquiries, the directors have an expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and financial statements.

Approved by the Board of Directors
and signed on behalf of the Board



E McKinley
Director

10th September 2018

FTL Seals Technology Limited

Directors' report

The company's principal activities, future developments, results and principal risks including going concern and uncertainties are presented in the strategic report.

Directors

The directors of the company during and subsequent to the year were as follows:

A J Hewitt
M A Uleman
E McKinley
N Thompson

Certain directors benefit from qualifying third party indemnity provisions in place during the financial year and at the date of this report.

Auditor

Deloitte LLP have expressed their willingness to continue in office as auditor and a resolution to reappoint them will be proposed at the forthcoming Annual General Meeting.

Each of the persons who are a director at the date of approval of this report confirms that:

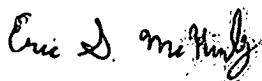
- so far as the director is aware, there is no relevant audit information of which the company's auditor is unaware; and
- The director has taken all the steps that he/she ought to have taken as a director in order to make him/her aware of any relevant audit information and to establish that the company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Events after the balance sheet date.

On 26th March 2018, the company declared and paid a dividend of £7.5m.

Approved by the Board and signed on its behalf by:



E McKinley
Director

10th September 2018

FTL Seals Technology Limited

Directors' responsibilities statement

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland". Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Independent auditor's report to the members of FTL Seals Technology Limited

Opinion

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2017 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of FTL Seals Technology Limited (the 'company') which comprise:

- the profit and loss account;
- the balance sheet;
- the statement of changes in equity; and
- the related notes 1 to 20.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs(UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We are required by ISAs (UK) to report in respect of the following matters where:

- the directors' use of the going concern basis of accounting in preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

We have nothing to report in respect of these matters.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Independent auditor's report to the members of FTL Seals Technology Limited (continued)

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact.

We have nothing to report in respect of these matters.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Report on other legal and regulatory requirements

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

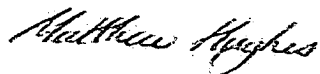
In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in the strategic report or the directors' report.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in respect of these matters.



Matthew Hughes BSc (Hons), ACA (Senior Statutory Auditor)
For and on behalf of Deloitte LLP
Statutory Auditor
Leeds, United Kingdom

10th September 2018

FTL Seals Technology Limited

Profit and loss account For the year ended 31 December 2017

	Notes	2017 £	2016 £
Turnover	3	11,154,564	8,707,428
Cost of sales		(6,040,531)	(4,685,629)
Gross profit		5,114,033	4,021,799
Distribution costs		(130,997)	(141,210)
Administrative expenses		(1,915,097)	(2,002,175)
Operating profit	4	3,067,939	1,878,414
Finance income	6	462,945	271,902
Profit on ordinary activities before taxation		3,530,884	2,150,316
Tax on profit on ordinary activities	7	(584,620)	(391,287)
Profit for the financial year attributable to owners of the company		2,946,264	1,759,029

The notes on pages 12 to 20 form an integral part of these financial statements.

The above results were derived from continuing operations.

The company has no other items of comprehensive income for the year other than the results above and accordingly a statement of comprehensive income has not been prepared.

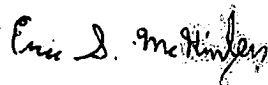
FTL Seals Technology Limited

Balance sheet As at 31 December 2017

	Notes	2017 £	2016 £
Fixed assets			
Tangible assets	8	658,654	702,411
		<u>658,654</u>	<u>702,411</u>
Current assets			
Stocks	11	1,081,108	877,787
Debtors			
- due within one year	12	2,574,363	1,672,904
- due after one year	9	7,036,100	6,606,667
Cash at bank and in hand		5,213,010	2,798,360
		<u>15,904,581</u>	<u>11,955,718</u>
Creditors: amounts falling due within one year	14	(1,861,834)	(932,992)
Net current assets		<u>14,012,747</u>	<u>11,022,726</u>
Total Assets less Current Liabilities		<u>14,671,401</u>	<u>11,725,137</u>
Net assets		<u>14,671,401</u>	<u>11,725,137</u>
Capital and reserves			
Called-up share capital	15	900	900
Share premium account		84,060	84,060
Capital redemption reserve		92,040	92,040
Profit and loss account		14,494,401	11,548,137
Shareholder's funds – equity		<u>14,671,401</u>	<u>11,725,137</u>

The financial statements of FTL Seals Technology Limited, registered number 3493017 were approved and authorised for issue by the Board of Directors on 10th September 2018.

Signed on behalf of the Board of Directors



E McKinley
Director

FTL Seals Technology Limited

Statement of changes in equity As at 31 December 2017

	Called-up share capital £	Share premium account £	Capital redemption reserve £	Profit and loss account £	Total £
At 31 December 2015	900	84,060	92,040	14,364,516	14,541,516
Profit and total comprehensive income for the year	-	-	-	1,759,029	1,759,029
Distribution to parent company	-	-	-	(3,925,408)	(3,925,408)
Dividend payment from reserves	-	-	-	(650,000)	(650,000)
At 31 December 2016	900	84,060	92,040	11,548,137	11,725,137
Profit and total comprehensive income for the year	-	-	-	2,946,264	2,975,075
At 31 December 2017	900	84,060	92,040	14,494,401	14,700,212

The notes on pages 12 to 20 form an integral part of these financial statements.

FTL Seals Technology Limited

Notes to the financial statements For the year ended 31 December 2017

1. Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements.

General information and basis of accounting

FTL Seals Technology Limited is a company incorporated in the United Kingdom limited by shares under the Companies Act 2006. The address of the registered office is given on page 1. The nature of the company's operations and its principal activities are set out in the strategic report on page 2.

The financial statements have been prepared under the historical cost convention, modified to include certain items at fair value, and in accordance with Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council.

The functional currency of the company is considered to be pounds sterling because that is the currency of the primary economic environment in which the company operates.

FTL Seals Technology Limited meets the definition of a qualifying entity under FRS 102 and has therefore taken advantage of the disclosure exemptions available to it in respect of its separate financial statements. FTL Seals Technology Limited is consolidated in the financial statements of its parent, IDEX Corporation, which may be obtained at 1925 West Field Court, Suite 200, Lake Forest, Illinois 60045, USA. Exemptions have been taken in these separate Company financial statements in relation to share-based payments, financial instruments, and presentation of a cash flow statement and remuneration of key management personnel.

Going concern

The financial position of the company, its cash flows and liquidity position are strong.

The directors recognise that the general economic outlook is still uncertain, however, the company has a strong order book and the directors have confidence in the business prospects for 2018 and beyond knowing the business plan in place is soundly made and is fully supported by the determination and competences of staff at all levels. As a consequence, the directors believe that the company is well placed to manage its business risks successfully, notwithstanding any current economic uncertainty.

After making enquiries, the directors have an expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and financial statements.

Tangible fixed assets

Tangible fixed assets are stated at cost, net of depreciation and any provision for impairment. Depreciation is provided on all tangible fixed assets, other than investment properties and freehold land, at rates calculated to write off the cost or valuation, less estimated residual value, of each asset on either a straight-line basis over its expected useful life. The rates of depreciation are as follows:

Freehold property	20 years
Plant and machinery	4 - 5 years
Fixtures, fittings & office equipment	4 - 5 years

Research and development

Expenditure on research and development is written off to the profit and loss account in the year in which it is incurred.

FTL Seals Technology Limited

Notes to the financial statements For the year ended 31 December 2017

1. Accounting policies (continued)

Investments

Investments in equity shares which are publicly traded or where the fair value can be measured reliably are initially measured at fair value, with changes in fair value recognised in profit or loss. Investments in equity shares which are not publicly traded and where fair value cannot be measured reliably are measured at cost less impairment.

Interest income on debt securities, where applicable, is recognised in income using the effective interest method. Dividends on equity securities are recognised in income when receivable.

Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to sell, which is equivalent to the net realisable value. Cost includes materials, direct labour and an attributable proportion of fixed and variable overheads. Provision is made for obsolete, slow-moving or defective items where appropriate.

Impairment of assets

Assets are assessed for indicators of impairment at each balance sheet date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss as described below.

An asset is impaired where there is objective evidence that, as a result of one or more events that occurred after initial recognition, the estimated recoverable value of the asset has been reduced. The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use.

Where indicators exist for a decrease in impairment loss, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised.

Taxation

The tax expense for the period comprises current tax. Tax is recognised in profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company operates and generates taxable income.

Deferred income tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements and on unused tax losses or tax credits in the company. Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date. The carrying amount of deferred tax assets are reviewed at each reporting date and a valuation allowance is set up against deferred tax assets so that the net carrying amount equals the highest amount that is more likely than not to be recovered based on current or future taxable profit.

Turnover

Turnover is stated net of VAT and trade discounts and is recognised when the significant risks and rewards are considered to have been transferred to the buyer. Turnover from the sale of goods is recognised when the goods are physically delivered to the customer. Turnover from the supply of services represents the value of services provided under contracts to the extent that there is a right to consideration and is recorded at the fair value of the consideration received or receivable.

FTL Seals Technology Limited

Notes to the financial statements For the year ended 31 December 2017

1. Accounting policies (continued)

Financial instruments

Financial assets and financial liabilities are recognised when the company becomes a party to the contractual provisions of the instrument. Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Trade debtors

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business. Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables.

Trade creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the company does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities. Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

Provisions

Provisions are recognised when the company has an obligation at the reporting date as a result of a past event, it is probable that the company will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

Payments on account

Payments on account relate to deposits received on exchange of contracts for property sales. These are not recognised as income until the sale legally complete or when a sale falls through, the contract is rescinded.

Leases

Rentals under operating leases are charged on a straight-line basis over the lease term, even if the payments are not made on such a basis. Benefits received and receivable as an incentive to sign an operating lease are similarly spread on a straight-line basis over the lease term.

Pensions

The company contributes to personal money purchase pension schemes for certain directors and employees. These charges are recognised in the profit and loss account as they are incurred.

Foreign exchange

Transactions denominated in foreign currencies are translated into sterling at the rates ruling at the dates of transactions. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated at the rates ruling at that date. Translation differences are dealt with in the profit and loss account as and when they arise.

FTL Seals Technology Limited

Notes to the financial statements For the year ended 31 December 2017

2. Critical accounting judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, which are described in note 1, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Critical judgements and key sources of estimating uncertainty in applying the Company's accounting policies

The directors believe there are no critical judgements or uncertain estimates to be made in preparing these financial statements.

3. Turnover

	2017 £	2016 £
By geographical market		
UK	6,776,030	5,586,940
Europe	2,848,172	1,715,384
Rest of world	1,530,362	1,405,104
	<u>11,154,564</u>	<u>8,707,428</u>

4. Operating profit

	2017 £	2016 £
Operating profit is stated after charging / (crediting)		
Depreciation (note 8)	60,707	71,677
Cost of stock recognised as an expense	5,639,029	4,296,927
Impairment of stock recognised as an expense	21,657	30,408
Foreign currency (gains) / losses	(16,039)	92,487
Rentals under operating leases		
Hire of motor vehicles	58,276	59,452
Research and development expenditure	44	5,390
Fees payable to the company's auditor for the audit of the company's annual financial statements	20,962	20,652
Tax services	4,250	4,000
Total non-audit fees	<u>4,250</u>	<u>4,000</u>

FTL Seals Technology Limited

Notes to the financial statements For the year ended 31 December 2017

5. Information regarding directors and employees

	2017 £	2016 £
Directors' remuneration		
Directors' emoluments	111,367	100,896
Pension contributions	4,656	4,545
	<u>116,023</u>	<u>105,441</u>

	2017 No.	2016 No.
Remuneration benefits are accruing to the following number of directors under defined contribution group personal pension schemes	<u>1</u>	<u>1</u>

Only 1 director was remunerated in the 2017 financial year (2016: 1). The number of directors who accrued benefits under company money purchase schemes was nil (2016: nil). Other directors are remunerated by other group companies, and their costs are incidental so it is not practical to recharge their costs to the company.

The average monthly number of persons employed by the company during the year was as follows:

	2017 No.	2016 No.
Production, sales and distribution	26	29
Administration	5	4
	<u>31</u>	<u>33</u>

	2017 £	2016 £
Staff costs during the year (including directors)		
Wages and salaries	1,334,106	1,150,727
Social security costs	121,033	108,971
Other pension costs	58,069	47,138
	<u>1,513,208</u>	<u>1,306,836</u>

6. Finance income

	2017 £	2016 £
Intercompany loan interest	459,287	247,274
Bank interest received	3,658	24,628
	<u>462,945</u>	<u>271,902</u>

FTL Seals Technology Limited

Notes to the financial statements For the year ended 31 December 2017

7. Tax on profit on ordinary activities

	2017 £	2016 £
UK corporation tax		
Current tax on income from the year	728,287	466,634
Adjustments in respect of prior periods	(144,436)	(72,164)
Total current tax	583,851	394,470
Deferred tax	769	(3,183)
Tax on profit on ordinary activities	584,620	391,287

Factors affecting tax charge for the year

The tax assessed for the year is lower than the average rate of corporation tax in the UK 19.25% (2016: 20%). The differences are explained below:

	2017 £	2016 £
Profit on ordinary activities before taxation	3,530,884	2,150,316
Profit on ordinary activities at average rate of corporation tax in the UK of 19.25% (2016: 20.25%).	679,695	430,063
Effects of:		
Non trading loan relationship	50,638	30,473
Other differences	(1,277)	2,915
Adjustment in respect of prior year	(144,436)	(72,164)
Total tax charge for the year	584,620	391,287

Factors that may affect future tax charges

The Finance Act 2016 included provisions to reduce the rate of UK corporation tax to 19% with effect from 1 April 2017. The Finance Act 2017 included provisions to further reduce the rate of UK corporation tax to 17% with effect from 1 April 2020. Deferred taxation is measured at tax rates that are expected to apply in the periods in which temporary timing differences are expected to reverse based on tax rates and laws that have been enacted or substantively enacted at the balance sheet date. Accordingly 17% has been applied when calculating deferred tax assets and liabilities as at 31 December 2017.

FTL Seals Technology Limited

Notes to the financial statements For the year ended 31 December 2017

8. Tangible fixed assets

	Freehold property £	Plant and machinery £	Fixtures, fittings & office equipment £	Total £
Cost				
At beginning of year	900,835	281,488	252,655	1,434,978
Additions	-	16,950	-	16,950
At end of year	900,835	298,438	252,655	1,451,928
Accumulated depreciation				
At beginning of year	250,296	269,304	212,967	732,567
Charge for year	45,042	6,154	9,511	60,707
At end of year	295,338	275,458	222,478	793,274
Net book value				
At 31 December 2017	605,497	22,980	30,177	658,654
At 31 December 2016	650,539	12,184	39,688	733,435

9. Debtors due after one year

	2017 £	2016 £
Amounts falling due in more than one year		
Intercompany debtor	7,036,100	6,606,697

Amounts due from group undertakings are repayable in more than one year and 0% interest is charged. Interest is imputed at a market rate.

On 29 March 2018 Idex UK repaid £7.5m of the £12.1m interest free loan.

10. Investments

The company held 100% of the ordinary share capital of Sigma Epsilon Limited, a non-trading company registered in England. This company was dissolved on 7th April 2016.

11. Stocks

	2017 £	2016 £
Goods for resale (all finished goods)	1,081,108	877,787

In the opinion of the directors, at the balance sheet date there is no material difference between the carrying value and replacement cost of stocks.

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Notes to the financial statements For the year ended 31 December 2017

12. Debtors

	2017 £	2016 £
Amounts falling due in less than one year		
Trade debtors	2,014,490	1,157,280
Intercompany debtor	501,500	459,287
Prepayments	45,548	42,744
Deferred tax asset	12,825	13,593
	<u>2,574,363</u>	<u>1,672,904</u>

13. Deferred taxation

	Deferred taxation	
	2017 £	2016 £
Deferred tax asset	<u>12,825</u>	<u>13,593</u>

The elements of deferred taxation are as follows:

	2017 £	2016 £
Difference between accumulated depreciation and amortisation and capital allowances	<u>12,825</u>	<u>13,593</u>

14. Creditors: amounts falling due within one year

	2017 £	2016 £
Trade creditors	884,782	461,994
Amounts owed to group undertakings	22,237	15,798
Corporation tax	417,827	193,102
Other taxation and social security	290,833	172,838
Accruals and deferred income	276,155	89,260
	<u>1,891,834</u>	<u>932,992</u>

Amounts owed to group undertakings are paid within 30 days and at zero % interest.

15. Called-up share capital and reserves

	2017 £	2016 £
Allotted, called-up and fully paid		
90,000 Ordinary shares of £0.01 each	<u>900</u>	<u>900</u>

The company's other reserves are as follows:

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Share premium account contains the premium arising on issue of equity shares.

The profit and loss reserve represents cumulative profits or losses net of dividends paid and other adjustments.

Capital redemption reserve represents a non-distributable reserve into which amounts are transferred following the redemption or purchase of a company's own shares.

16. Commitments

Total future minimum lease payments under non-cancellable operating leases are as follows:

	2017 Other £	2016 Other £
In one year	44,579	43,212
In second to fifth year inclusive	45,535	40,414
	<u>90,114</u>	<u>83,626</u>

17. Related party transactions

In accordance with paragraph 1.12 of FRS 102 "Related Party Disclosures" transactions with other group undertakings within, and investee related parties of, the IDEX Corporation Group have not been disclosed in these financial statements. There have been no transactions with directors other than as disclosed in note 5.

18. Pension scheme

The company pays contributions to a defined contribution group personal pension scheme, which are all charged to the profit and loss account as they accrue. The charge for the year was £56,972 (2016: £47,138), and £NIL (2016: £NIL) was payable to the pension scheme at the year end.

19. Ultimate Parent Company and Control

The directors regard IDEX UK Investment Limited, a company incorporated in England and Wales, as the immediate parent company, and IDEX Corporation, a company incorporated in the United States of America as the ultimate parent company and the ultimate controlling party.

IDEX Corporation is the parent company of the largest and smallest group of which the company is a member and for which group financial statements are drawn up. Copies of the financial statements are available from IDEX Corporation, 1925 West Field Court, Suite 200, Lake Forest, Illinois, 60045, USA.

20. Subsequent events

On 26 March 2018 the company declared and paid a dividend of £7.5m.